

JANUARY/
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Insight

For
benefits
administrators

MoneyPlu\$ update

Check your pay stub[®]

Be sure to check your pay stub to make sure the correct amount is being withheld from your paycheck for any MoneyPlu\$ accounts in which you are enrolled: *Medical Spending, Dependent Care or Health Savings Account*. Report any discrepancies to your benefits administrator immediately.

Monthly statements[®]

As a reminder, MoneyPlu\$ **Medical Spending** and **Dependent Care** participants will now receive their statements from Fringe Benefits Management Company (FBMC) *monthly instead of quarterly*. Participants who have an account balance, who have had account activity during the month or who have outstanding EZ REIMBURSE[®] Card transactions will receive a statement. All participants, regardless of account activity, will receive a final, 13th statement during the second quarter of 2006, after the grace period ends for the 2005 plan year.

MoneyPlu\$ **Health Savings Account** participants will receive monthly statements directly from National Bank of South Carolina (NBSC), trustee for the HSA accounts.

Attention: MSA EZ REIMBURSE[®] MasterCard[®] card holders[®]

Remember to provide your documentation

If you signed up for the Medical Spending Account (MSA) EZ REIMBURSE[®] Card, pay close attention to your monthly statements. While eligible prescription drug transactions and transactions for certain copayments do not require follow-up documentation, other transactions DO. Your monthly statement will indicate, in blue ink, when you need to submit supporting documentation for the claim. The IRS requires documentation for card transactions, just as it does for manual/paper reimbursements (Revenue Ruling 2003-43, released May 2003).

Fax a copy of your receipt/documentation (including date of service, type of service, service provider and amount), using the **EZ REIMBURSE[®] Card Receipt Transmittal Cover Sheet**, not the Reimbursement Request form. This cover sheet is available on the EIP Web site at www.eip.sc.gov. Choose your category (Active Subscribers) and select "Forms." You may also call FBMC at 800-342-8017 for a copy or visit the FBMC Web site at www.fbmc-benefits.com.

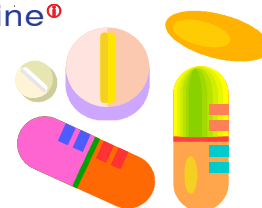
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Attention: Savings Plan subscribers Prescription drug pricing information available online[®]

As with the State Health Plan (SHP) Standard Plan and MUSC Options, subscribers in the SHP Savings Plan can price their covered prescription drugs online when they visit Medco's Web site at www.medco.com. From the Medco home page, select "Members." Next click on the link to log in. You will need to register to be able to log in; just follow the instructions.

Remember, under the Savings Plan you pay 100 percent of the allowable cost for prescription drugs. This allowable cost will be applied toward your annual deductible. After you have met your deductible, you continue to pay the full allowable cost up front. BlueCross BlueShield of South Carolina will then send you a check for 80 percent of the allowable cost. (If you have other health insurance coverage that is primary, refer to your *Insurance Benefits Guide* for more information.)

If a generic drug is available, only the cost of the generic drug will apply toward your deductible. Once you have met your deductible, the 20 percent coinsurance for the cost of the generic drug will apply toward your coinsurance maximum.



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www.eip.sc.gov

MoneyPlu\$ update

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If you do not forward the required documentation to FBMC within 30 days of the card transaction, the next time you submit a manual (paper) claim, rather than paying the full claim, FBMC will withhold enough money in your account to make up for the card transaction that you have not yet documented. You will be reimbursed for the difference between the new claim and the undocumented claim. This is called *automatic substitution*. For example, if the new claim was \$10 and the undocumented card transaction was for \$7, you will be reimbursed \$3. If you later send in the documentation for the disputed claim, a check for reimbursement will be issued.

If the documentation is not received by the time you receive a second monthly statement and no automatic substitution has occurred to satisfy the amount in question, *your EZ REIMBURSE® Card will be suspended* until:

- FBMC receives your documentation
- Automatic substitution occurs
- You pay back your account by check.

FBMC will reinstate your card automatically once the transaction in question is cleared by one of these methods.

Any amounts not cleared by March 31 after the plan year ends are in violation of IRS guidelines and are taxable as income and your EZ REIMBURSE® Card will be permanently disabled.

Network pharmacies and other providers that accept the card

Here are some important reminders:

- **Medco by Mail**, Medco's mail-service pharmacy, is not in the EZ REIMBURSE® Card pharmacy network. A list of pharmacies that accept the card may be found on the EIP Web site at www.eip.sc.gov under "Links," or you may access the list when you log on to the FBMC Web site at www.fbmc-benefits.com as a registered user.
- If a participating pharmacist is having

difficulty processing your EZ REIMBURSE® Card transaction for the first time, have him call the 800 number on the back of the card for instructions.

- If you have any difficulties with a provider accepting the card, call FBMC at 800-342-8017 so FBMC may follow up with the provider.
- When using your EZ REIMBURSE® Card at the pharmacy, your receipt will show you the name of the prescription drug. It will not show the copayment taken from your Medical Spending Account (MSA). Instead, it will show \$0.00 to indicate that you pay the pharmacist nothing. When you receive your monthly statement or log on to view your account on the FBMC Web site (www.fbmc-benefits.com), you will then see the amount that was deducted from your MSA. You will also see the pharmacy listed as "Envision Pharmaceutical." This is the name of the prescription drug transaction processor for the EZ REIMBURSE® Card.
- Remember, you cannot use your EZ REIMBURSE® Card for over-the-counter expenses. You will need to submit a Reimbursement Request Form and attach a copy of your documentation.

Stay tuned

As with any new program, there are initial educational and procedural matters that arise. As we become aware of any problems, we notify FBMC and they are resolving them as quickly as possible. They are also sending additional communications to providers and calling them at random to ensure their understanding of the transaction process. We will continue to update you on any additional program procedures and enhancements to help you take full advantage of your new EZ REIMBURSE® Card.

Attention: Health Savings Account (HSA) participants ①

If you are enrolled in the State Health Plan Savings Plan and have a pretax HSA account through MoneyPlu\$ with NBSC

as the trustee, please read the important information below. If your HSA account is with another trustee, this information may not apply to you.

Return your completed signature form

You should have received a packet of information from NBSC, the trustee for HSA accounts offered on a pretax basis through MoneyPlu\$. **This packet includes an account ownership/signature form, which NBSC needs to complete the process of opening your account.** Fill out and return this form to NBSC in the postage-paid envelope provided. If you did not receive this information or have misplaced it, call NBSC at 877-367-4HSA (4472) to request another packet.

HSA debit cards and checks

You should have also received one HSA debit card. If you would like a second card, please call NBSC at 877-367-4HSA (4472). You should receive the card within 10 business days. You can also order your free, starter supply of checks by calling this number.

Availability of funds

Remember, unlike a Medical Spending Account, you must have enough funds in your account to cover the expense. **If you have a MoneyPlu\$ HSA account, your funds are available once your employer's payroll is received and processed by FBMC, transferred to NBSC and deposited into your account.**

For the *initial deposit*, this process takes about 10 days, due to a *prenote* requirement. The prenote requirement is a one-time validation to ensure that your HSA funds are deposited to the correct account. After that, deposits are sent from FBMC to NBSC twice each week and funds should generally be available in your HSA account no later than a week after pay date. Remember, this depends on when your employer submits the deductions and payroll reports to FBMC. *(If you are an employee of an agency with the Comptroller General payroll group, you can view your pay dates and HSA deposit dates on page 3.)*

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Aside from your monthly statements from NBSC, to check your HSA account balance, you can visit any NBSC branch or sign up for online access at no monthly charge for just access-only services. Visit NBSC's Web site www.nationalbanksc.com or call 877-367 4HSA (4472) for more information. Once you register, it takes about 5-7 business days before you will be able to access your account online.

If you wish to make any deposits or withdrawals directly to/from your account, you can do so at any of the NBSC branches by completing a bank deposit form or withdrawal form. Remember, the maximum you can contribute to your HSA account for 2005, including both pretax and after-tax contributions, is \$2,650 for single coverage and \$5,250 if you cover yourself and any other family members. Any withdrawals you make must be for qualified medical expenses as determined by the IRS or they may be subject to taxes and penalties. *And, remember: You cannot use your HSA debit card to get cash at an ATM machine; it will not work at an ATM machine.*

Remember these MoneyPlus® contacts/resources: ①

- If you have questions about your Medical Spending or Dependent Care Account, call FBMC at 800-342-8017. Don't forget! FBMC offers you online access to your account to view your benefits account balances, claims, forms and more. Visit www.fbmc-benefits.com.
- To locate a participating pharmacy that accepts the Medical Spending Account EZ REIMBURSE® card, visit the EIP Web site at www.eip.sc.gov and select "links" from the top menu bar. You can also access this list when you log in on FBMC's Web site at www.fbmc-benefits.com.
- If you have questions about your Health Savings Account (HSA), your HSA debit card or to order checks for your HSA account, call NBSC at 877-367-4HSA (4472). You can also access your account online by registering online at www.nationalbanksc.com.

Attention: BAs and payroll centers

- Do not delay in sending your payroll deductions and files to Fringe Benefits Management Company. FBMC must process the payrolls and transfer deposits before your employees can access funds in their Dependent Care Accounts or Health Savings Accounts.
- As a reminder, FBMC's \$2.50 monthly administration fee applies only to Medical Spending, limited Medical Spending and Dependent Care accounts. Do NOT charge this fee to Health Savings Account (HSA) participants. The appropriate fees for HSA accounts will be deducted automatically from their accounts by NBSC.

Comptroller General payroll schedule

If you are an employee of an agency with the Comptroller General (CG) payroll group, here is a handy chart to show you when your HSA funds should be available, following each payroll for 2005.

Pay Check Dates	Projected HSA Fund Availability Dates*
1/4/05	1/14/05
1/14/05	1/21/05
2/1/05	2/9/05
2/16/05	2/23/05
3/1/05	3/9/05
3/16/05	3/23/05
4/1/05	4/8/05
4/15/05	4/22/05
4/29/05	5/6/05
5/16/05	5/20/05
6/1/05	6/8/05
6/16/05	6/22/05
7/1/05	7/8/05
7/15/05	7/22/05
8/1/05	8/5/05
8/16/05	8/24/05
9/1/05	9/9/05
9/16/05	9/23/05
9/30/05	10/7/05
10/14/05	10/21/05
11/1/05	11/9/05
11/16/05	11/23/05
12/1/05	12/7/05
12/16/05	12/23/05
1/3/06	1/11/06

* The initial deposit, after opening an HSA account, takes about 10 days, due to a prenote requirement. The prenote requirement is a one-time validation to ensure that your HSA funds are deposited to the correct account.



Web Updates

2005 handbooks now available online

The 2005 editions of the "When You Become Entitled To Medicare" and "Insurance Orientation" handbooks are now available from the Employee Insurance Program (EIP). You may access the handbooks on the EIP Web site at www.eip.sc.gov. Just choose your category (Benefits Administrators) and click on "Publications". If you do not have access to the Internet, you may request copies of the "When You Become Entitled To Medicare" and the "Insurance Orientation" handbooks from EIP by calling us at 803-734-0678 (Greater Columbia Area) or 888-260-9430 (toll-free outside the Columbia area).

Training presentations available online

Are you looking for a good resource to help explain benefits options to your employees and soon-to-be-retirees? If so, you need look no further than the Employee Insurance Program (EIP) Web site where we have posted Microsoft PowerPoint® presentations on Pre-retirement and Insurance Benefits Orientation Training. These comprehensive presentations include all the information your employees and pre-retirees need to make sound decisions about their benefits options.

To access these presentations, go to www.eip.sc.gov, then choose your category (Benefits Administrators), and select "Education, Training and Special Events." Once you have reached this page, you can access the presentations by clicking on either the "PowerPoint® Presentation" or "Printable PDF Version" of "2005 Pre-Retirement Insurance Education" and "2005 Insurance Orientation."

Budget News for 2006



EIP estimates that the State Health Plan will require a 3.2% increase in contribution income effective January 2006 to sustain the present Plan of Benefits through next year. If this increase is borne completely by the employer with no rate increase for enrollees, it equates to a 4.8% hike in employer contributions. For budget purposes, it is advised that the 4.8% number be used as a high-end estimate. The legislative budget process is now underway, and we will advise as to any changes in this estimate in the months ahead.

As communicated at last August's benefits conference, EIP will produce a revised experience rating load for optional groups no later than the end of March, to become effective January 2006. As a

reminder, experience rating affects only optional employer groups authorized to participate in the insurance program under SC Code 1-11-720; it does not apply to State agencies and school districts.

Don't Forget!

When a subscriber is eligible for retiree insurance coverage and is approved for South Carolina Retirement Systems' disability retirement and/or Basic/Supplemental Long Term Disability through Standard Insurance Company, the **effective date of insurance coverage is the first of the month following the date of the subscriber's approval letter**. The effective date of insurance coverage is not retroactive to the date of disability.

Coordination of benefits for prescription drugs^①

As announced during the October 2004 enrollment, the State Health Plan and MUSC Options are coordinating benefits for prescription drug coverage in 2005. Due to the extensive computer programming involved, implementing this coordination will begin February 1, 2005.

Once coordination of these benefits begins, **if you have other health insurance that is primary and the State Health Plan or MUSC Options is your secondary coverage, the pharmacy will be unable to process your secondary claim at the point of sale.***

Instead, follow these procedures:

1. Present the card for your primary coverage first. If you present your SHP or MUSC Options card, the claim will be rejected.
2. After the pharmacy processes the claim with your primary insurance coverage, you must file a paper claim through the SHP or MUSC Options for any secondary benefits to be paid. Prescription drug claim forms are available on the EIP Web site. From our home page, choose your category and then select "Forms." You'll see both the retail and pharmacy mail service/home delivery forms listed.

Since prescription drug coordination of benefits will primarily affect covered spouses and dependents, make sure you pass on this information to them.

**If you are enrolled in a MoneyPlus Medical Spending Account and have the EZ REIMBURSE Card, please note that your card will not work at the pharmacy, if your coverage with the State Health Plan or MUSC Options is secondary. You will need to file a MoneyPlus Reimbursement Request form for any benefits due AFTER you have filed a claim for your secondary coverage. Keep in mind your MoneyPlus Medical Spending Account may be used only for eligible medical expenses NOT covered by your insurance or by any other plan.*

Your Medi-Call number: handy when you need it^①

Some State Health Plan (SHP) benefits, including admission to a hospital, require Medi-Call approval before you receive them. Can you think of three places where you can quickly find the Medi-Call number?

The number for the Greater Columbia area and the toll-free number that can be used in South Carolina, nationwide and in Canada are listed on:

- The inside front cover of the 2005 *Insurance Benefits Guide (IBG)*
- Page 26 of the *IBG* and
- The back of your SHP membership card – which you should always carry with you.

The numbers are 699-3337 in the Greater Columbia area and 800-925-9724 elsewhere in South Carolina, the U.S. and Canada. For more information about Medi-Call, including a list of benefits that require prior approval, see pages 26-27 of your *IBG*.

Insight

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